

# **HB 336 – Revise HPORS** **Section by Section Analysis**

SENATE FINANCE & CLAIMS

Exhibit No. 1

Date 3-26-13

Bill No. HB 336

Section	What it does
<b>Section 1</b> New section	<ul style="list-style-type: none"> <li>Only new section of the bill</li> <li>Decreases GABA for new hires from 3% to 1.5%</li> <li>Affects new hires only</li> </ul>
<b>Section 2</b> 19-2-303	<ul style="list-style-type: none"> <li>This section was added as an amendment to the bill; it was inadvertently left out of the original bill.</li> <li>Alters the generally applicable definition of "vested member" to remove the reference to 5 years for the Highway Patrol Officer Retirement System.</li> </ul>
<b>Section 3</b> 19-6-301	<ul style="list-style-type: none"> <li>Increases vesting for new hires from 5 years to 10 years</li> <li>Because we change vesting here, all service credit purchase provisions must also be changed because service credit cannot be purchased unless the member is vested in the retirement system (part of the reason for the length of the bill).</li> <li>Affects new hires only</li> </ul>
<b>Section 4</b> 19-6-402	<ul style="list-style-type: none"> <li>Increases current employee and new hire contributions by 4%</li> <li>Increase is phased in at 1% per year for 4 years</li> <li>Increases from 9.05% or 9% of the member's compensation to 13.05% or 13% of the member's compensation</li> <li>Affects current employees &amp; new hires</li> </ul>
<b>Section 5</b> 19-6-404	<ul style="list-style-type: none"> <li>Increases the state/employer contribution by 2% (current total state/employer contribution is 36.33%, this takes it to 38.33%)</li> <li>Increase of 2% to come from the same source used to pay member compensation</li> <li>Our intent with employer and employee contribution is for the employee contribution to increase 2% for every 1% increase in employer contribution. So, if the state only agrees to increase its contribution 1%, we will amend Section 3 of this bill so that employees only increase their contributions by 2%.</li> </ul>
<b>Section 6</b> 19-6-502	<ul style="list-style-type: none"> <li>Increases the benefit multiplier used to calculate the retirement benefit from 2.5% to 2.6%</li> <li>Affects current employees &amp; new hires</li> </ul>
<b>Section 7</b> 19-6-503	<ul style="list-style-type: none"> <li>Increases vesting period for early retirement from 5 years to 10 years</li> <li>See comment under Section 3</li> <li>Affects new hires only</li> </ul>
<b>Section 8</b> 19-6-601	<ul style="list-style-type: none"> <li>Increases disability retirement benefit multiplier from 2.5% to 2.6% for current employees and new hires.</li> </ul>
<b>Section 9</b> 19-6-707	<ul style="list-style-type: none"> <li>Inserts a cross reference to NEW SECTION 1 which decreases new hire GABA</li> </ul>
<b>Section 10</b> 19-6-710	<ul style="list-style-type: none"> <li>Inserts clarification that new hires are not eligible for the 3% GABA provided in this section.</li> </ul>
<b>Section 11</b> 19-6-711	<ul style="list-style-type: none"> <li>Inserts clarification that new hires are not eligible for the 3% GABA provided in this section.</li> </ul>
<b>Section 12</b> 19-6-801	<ul style="list-style-type: none"> <li>Increases vesting requirement for purchase of military service credit from 5 years to 10 years</li> <li>See comment under Section 2</li> <li>Affects new hires only</li> </ul>
<b>Section 13</b> 19-6-803	<ul style="list-style-type: none"> <li>Increases vesting requirement for purchase of law enforcement service credit from 5 years to 10 years</li> <li>See comment under Section 2</li> </ul>

## HB 336 – Revise HPORS

### Section by Section Analysis

	<ul style="list-style-type: none"><li>• Affects new hires only</li></ul>
<b>Section 14</b> 19-6-804	<ul style="list-style-type: none"><li>• Increases vesting requirement for purchase of service credit from 5 years to 10 years</li><li>• See comment under Section 2</li><li>• Affects new hires only</li></ul>
<b>Section 15</b> 44-1-504	<ul style="list-style-type: none"><li>• Makes clear that the State's increased contribution for HPORS cannot be taken from the HB 35 highway patrol pay and retention fund.</li></ul>
<b>Section 16</b>	<ul style="list-style-type: none"><li>• Codification instruction</li></ul>
<b>Section 17</b>	<ul style="list-style-type: none"><li>• Effective date of July 1, 2013</li><li>• Date corresponds with hire date to determine "new hires"</li></ul>